



To: Honorable Members of the House Commerce Committee
From: Chris Fisher, Executive Director
Date: October 9, 2007
Re: Opposition to House Bill 4443

We are writing to you in opposition to House Bill 4443 (HB 4443) and urge committee members to oppose this legislation. Areas of concern are numerous and include:

1. An investigation of any company can be conducted for any reason at any time without just cause. Allowing the State of Michigan, "on its own initiative" the over-reaching authority to audit a business whether or not there has been a complaint is viewed by our membership as unfair and is of significant concern.
2. This bill appears to create a secondary liability for prime contractors who have no authority to interfere with internal affairs of the independent businesses with whom they subcontract. Yet if a subcontractor is found to be in violation of this bill, the General Contractor appears to also be liable.
3. This bill is costly and creates burdensome report filings that are difficult for companies to comply with. Coupled with the difficulty many businesses will soon be facing with a new business tax and services tax, this is ill-timed and would be another hindrance to Michigan's already bleak business reputation.
4. This bill requires businesses to provide an accounting of information that is of absolutely no concern to the State of Michigan. Not only would it require firms who do business with the state to provide an accounting of expenditures of state funds (which is being touted as the primary purpose of the bill), but it also requires an unreasonable accounting of expenditures a company incurs in opposition to unionizing. If all this bill seeks to do is provide strict accountability of state funds it could do so by only requiring a review of expenditures related to those funds. It is unnecessary to also demand an accounting of how a company internally deals with the costs of a union election. Moreover, this is information over which the National Labor Relations Board has purview, not the Michigan Department of Labor and Economic Growth.
5. In the event all the above concerns were adequately addressed, unnecessary and costly interference in the **legal** day to day operations, including the **lawful** expenditure of funds by a company, and with no benefit to the overall public good ought not be a goal of the State of Michigan.
6. Under the National Labor Relations Act an employer has the right to express his or her support or opposition to union organizing efforts, to hire counsel and freely express opinions within the confines of the aforementioned act. This bill would unfairly hinder that ability and constitute an infringement of an employer's first amendment right to free speech.

It is for these reasons that our membership is in strong opposition to HB 4443. This bill goes well beyond the admirable goal of ensuring a proper use of tax dollars and instead it overreaches into costly, unnecessary, and unjust restrictions that hampers Michigan's already struggling business climate, and seeks to muzzle the free speech rights of employers. We therefore urge you to not report this over-reaching bill out of committee. Thank you for your attention to these areas of concern.